The Path Forward for Whole-person Virtual Care:
A New TMT *"Unscripted"* Podcast Series

Speakers

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Abstract

The COVID-19 pandemic exponentially accelerated adoption of virtual care and heightened consumer expectations, which caused health systems to reimagine their role in virtual care. As a result, adoption of virtual care has empowered health systems to move beyond siloed applications to a comprehensive, whole-person approach that consumers will need across their healthcare journey.

In this podcast, Bruce Brandes and Dr. Lyle Berkowitz discuss the current state and future of virtual care and the unique position of health systems to earn their place within the "consumer circle of trust".

Dr. Berkowitz: Good morning Bruce, thanks for coming to talk to us about what's going on in whole-person virtual care. It's been quite a year, with the pandemic accelerating everything around virtual care. We'd love to hear your thoughts on this topic.

First, what do you think has changed forever post-pandemic vs. pre-pandemic/COVID for innovators and digital health folks like us? What things have jumped ahead, and what do you think will stay in the years ahead?

I often think about this through the lens of "the three R's".

- **R**egulatory changes,
- **R**eimbursement changes, and

- **R**egularity of day-to-day care.

What are your thoughts and experience based on what you've seen in the industry?

Mr. Brandes: First of all, Lyle, thank you for having me. It's great to speak with you; and I think your question is really important.

This past year has been a remarkable time; and through all the tragedy I think a lot of people are seeing the opportunity for us to build a better healthcare system as well as rebuild a lot of other things in our society. Specifically, regarding healthcare, as we settle back into more "normal" times it's worth reflecting on what has worked for us and where it's failed. I think that among the things that have changed forever are two things that are probably most important as they relate to telehealth and virtual care.

The first is consumer expectations. I think consumers—whether you say the toothpaste is out of the tube or the genie is out of the bottle—have had exposure to a digital-first healthcare experience, and that it's just like the digital-first experience they have had and love in other areas. I don't think we're going to undo the fact that many consumers now expect a digital-first experience or a digital option depending on what's needed. I think consumer expectations are changed forever.

Dr. Berkowitz: Let's discuss that third "R"—"Regularity". Consumers now, and doctors, expect access to something that's a regular part of care.

Mr. Brandes: Yes. Providers are understanding that you can deliver great quality care, virtually. It varies depending on the individual patient's needs. But the concept for many specialties is that virtual interaction from a provider's perspective is just as good or, in some cases, better than what can be accomplished when providers and patients are together, physically. So we'll put that into the third 'R' on your list.

In terms of Regulatory changes, because of consumer demand and expectations combined with provider confidence in quality, I think we're going to see the regulations settle to where it just makes sense in those situations where we can accommodate better patient care and experience at a better price point. This will settle into something radically advanced from where we were pre-pandemic.

Regarding reimbursement, I don't think that we necessarily expect that it's going to be a complete payment parity the way it has been during the pandemic. But I also think we can recognize that value is created through virtual care and proper reimbursement. So, if you look at a fee-for-service world, the proper reimbursement will settle where it should be.

The other part of that is, I think, everybody now recognizes the opportunity that virtual care creates to enable health systems to move more aggressively into taking on risk while moving into value-based care. When you fully manage risk, the reimbursement piece will probably change a few years from now versus how we might look at it today. This is because of the move to value-based care.

Dr. Berkowitz: So let's dive into value. A lot of people think of Teladoc as working with large payers, employers, etc., but you have a vision that focuses on hospitals and health systems.

Let's talk about why health systems need you. They have their electronic medical records (EMR) and telehealth, etc. There's technology and staff augmentation. What value are they getting? What is their return on investment (ROI) whether it be for urgent care, chronic care, and preventive care? What value are health systems seeing?

You mentioned, moving into value-based care. So, please talk more about why and how health systems are using you and the value from that.

Mr. Brandes: It's a great question. In reality, we started working with large employers and health plans because they were the ones most apt to move quickly.

What we're finding is those in health systems are realizing that there are remarkable challenges, as well as opportunities at the same time. So, for them, as it relates to virtual care historically there were people or providers who might have seen this as a threat. But I think more and more providers are recognizing the incredible opportunity that virtual care represents for them to thrive in the current environment, as well as to position themselves for the future. Most health systems recognize that if the consumer is at the center of healthcare in the future, they will need help because healthcare is confusing.

There are lots of partners and potential partners vying for a seat at the table with consumers, whether it be big tech companies, big retailers, health plans, or new entrants into the field. Each one is arguably setting up to disintermediate or further disintermediate the local health system for that consumer. We see tremendous opportunity for the health systems to recognize their place locally in the community, based on the trust that they've earned over time, whenever someone breaks their leg or has a heart attack. The real question is, "How do you become the center of the circle of trust with those consumers all the time; and I think that more and more health systems see this as a great opportunity."

There's a strategic and compelling reason as to why health systems must be in the virtual care business and recognize the confluence of physical care and virtual care. I'll just share a few statistics beyond the strategic reasons. The reality is that investing in virtual care pays for itself with great returns, specifically in chronic care. We've seen where many health systems start with their own employees. These health systems have experienced up to three-and-a-half times ROI the first year after launching virtual programs for chronic condition management. Now we're seeing the health systems take that experience and apply it to patient populations.

Dr. Berkowitz: Let’s get clarity on that. Is that only in situations where they’re at risk for that population? Or, is there an ROI in a fee-per-service?

Mr. Brandes: Well, let's start with their own employees. Generally, most health systems are self-insured. So, clearly, they are at risk for that population, which is why many start there. There's a compelling ROI, and they get the benefit.

We're finding that as they're shifting their attention to patient populations it actually serves them well in both worlds. So, in a fee-for-service world there's opportunity to extend your digital front door to connect with people who are chronically ill, commercially insured or insured by Medicare, and shift to that market share. There's opportunity around that in a fee-for-service world. As they look to move into fee-for-value, there’s an opportunity to generate data that will help to understand how to fill in the blind spot on what happens for the majority of someone's life. That is, when they're living with their chronic conditions outside of the physician's office or outside of the hospital. We want to gain those insights, as well as have a mechanism to affect behavioral change.

As health systems take on risk related to going into these arrangements with the data they need to affect behavioral change such as “health nudges” and other connected devices, technology and data science help these people be healthier. As you look into ROI for chronic conditions for health systems, it has a compelling place for you, or anyone, anywhere you're already taking risks. Also, there is an ROI and a strategic value for fee-for-service as well.

Dr. Berkowitz: To clarify, is that base more right now on the telehealth doctors being available for urgent needs for chronic folks or as the Livongo elements of monitoring and escalating, or have you already started combining them?

Mr. Brandes: Well, it's actually the power of both. It's being able to meet these consumers where they are—living their lives and hopefully making their chronic condition invisible or less visible. That's what Livongo does. It recognizes when something might not be exactly

right, when they may need to get their meds adjusted, or they might need to check in with an endocrinologist, for example. The ability to do that on demand, which is what the Teledoc brings to the merger, really simplifies the experience for that person living with a chronic condition. So, it's really a combination of both.

Dr. Berkowitz: I know how hard dealing with health systems can be. I lived and breathed it for 20 years; and I've sold health systems, etc. You mentioned initially that they're reluctant. But one of the things that must come up is, “Wait a minute, we want our doctors to take care of our patients versus your doctors.” And yet, they don't have enough doctors. How have you reconciled that to the point where they feel comfortable trusting your Teladoc doctors to fill in at times with a seamless experience for everyone?

Mr. Brandes: First, we completely agree with them. They shouldn't use our doctors when their doctors are available. That is our model, we built an open platform. We are a technology platform. Each one of our client health systems decides how and when to leverage supplementary expertise that we may have, or availability that we may have through Teladoc physicians. Many of our clients go to their doctors first. But if it's after hours, on weekends, or there's a specialty consult needed that's not available through their facility, we can help supplement that need. It's really up to them.

The other key piece is when they're employed physicians have gaps in their schedule. Through partnering with us, it creates a great opportunity for us to fill the need for consulting on cases, potentially anywhere. It really creates a great growth opportunity as well for many of the health systems that we partner with.

Dr. Berkowitz: Okay, about 15 years ago I wrote an article that suggested to health systems that if you don't get “on the ball” and start doing virtual care, you're going to wind up losing to other groups who do it better. I might have been a little ahead of the curve. But now it’s coming around. Instead of competing, you're helping facilitate how far it can go when we talk about this idea of “whole person care,” virtually. I love the concept of virtual primary care. There are not enough primary care doctors to have every single

person meet doctors in their office, but they don't need that. In fact, it makes sense for many to conduct their primary care (maybe if you're under 50-years-old) virtually.

I'm curious, what are you're seeing out there? Are health systems embracing that with their doctors or other doctors; and do they feel it is more than urgent care or occasional chronic care? For example, can they have preventive care? Can they actually offer a full offering that way? What do you think is happening now?

Mr. Brandes: You mentioned that the concept of whole person care or whole person virtual care. I think that's really the way more and more health systems are starting to think of this. How do we approach this for the totality of what a consumer or a patient's needs may be?

I think one of the challenges historically is that we've always looked at things in a very fragmented way based on the products that might be available or something that was available in a silo. For example, many people have multiple chronic conditions, as you know, and other needs that may go beyond their chronic conditions. So, whether we're a health system or a technology company, if we're only looking at one dimension of a person's needs, we're really not going to help that person to be as well as they really need to be while simplifying the consumer experience for them.

I see more and more health systems seeing this as an opportunity to have an integrated platform that addresses the totality of needs, physical or virtual, for every condition. As a byproduct of an integrated platform, it simplifies the consumer experience and creates a more hyper-personalized experience using data that come as a byproduct of having one integrated data lake that shows what's needed for this consumer (patient) and help the healthcare provider understand how to zero in on what's needed for them. We think health systems are looking at whole person care and virtual care as it integrates with physical care across the continuum.

Dr. Berkowitz: Are you finding that they want to get all that data sent to their EMR? Perhaps they have an EDW (enterprise data warehouse), or just want it on your system? What has been the traditional way to bring all that data together when you work with health systems?

Mr. Brandes: The short answer is yes, it belongs in the EMR, but a lot of this experience in this interaction happens outside of the EMR when people are living their lives outside of the health system. So yes, we need to bring it into the EMR, but we don't need to be dependent on the EMR to be able to provide the level of care.

Ideally, it's part of a broader data warehouse, because there's a lot of additional information that frankly doesn't get captured in the EMR from the consumer. If I'm struggling with pre-diabetes, documenting my food log may or may not be something that is appropriate to go into the EMR, but it is part of that consumer's experience. I think we must recognize that the EMR is a very important foundational component that we need to share and integrate into the virtual care data into the EMR (for all the right reasons), in order to have a comprehensive view.

We can't be wholly dependent on the EMR. That could potentially limit the consumer experience. I think that's a great opportunity for us to think about the consumer, first as a person and as a consumer, not necessarily as a patient. The more we do that, it helps us look beyond just the EMR for the data.

Dr. Berkowitz: Okay, in terms of whole person care, let's talk about specialty care for a minute. On one hand, we often talk about a shortage—it's takes six months to get into a specialist, etc. How are your health systems handling that if there's already a six month wait to get in? Are they "sectioned off" to become specialists and virtual care experts? Are they just really into their system? Or, is it just a distribution where they're able to find specialists, maybe across town who aren't as busy?

Mr. Brandes: I think the latter is a great point. Imagine if you can eliminate the traditional geographical boundaries that have restricted access to a specialist. Let's think back to the regulatory questions you had at the beginning and we're not limited to our state or particular geography. If people are available at anytime, anywhere, it suddenly opens a world of possibilities for us to access specialty care in a timelier and more relevant timeline. It also gives health systems where specialists may reside better control over providing the care they want to be able to provide. So, I think it creates a tremendous opportunity to accelerate access to care and also improve quality because now you can have a clinical center of excellence and be consultant on cases in rural communities or anywhere. People can now get access to the best of the best to consult on their cases. I think that we can all benefit from that.

Dr. Berkowitz: Expanding even further, we're seeing some companies that send out devices, while other companies send out medications. How aggressive are health systems going to be with respect to connecting the physical world with the virtual world? For example, providing medication, devices, etc, to their patients. What have you been seeing?

Mr. Brandes: I think directionally, it's all about the consumer and recognizing new health systems that are competing now and who understand the consumer experience better than we do in healthcare historically and potentially have access to more funding and capital than a traditional health system. I think we're seeing more and more health systems figuring out how to deliver an excellent consumer experience. Part of what the consumers expect is the opportunity to simplify all of these areas of need. Ideally, health systems can be the center of the circle of trust with health consumers and the conveyer of all sick care services and supplementary resources needed for consumers to have a great experience and be healthier.

Dr. Berkowitz: I think we've heard a lot about forward thinking health systems that are starting to get more aggressive. They're working with Teladoc. From a technology and strategic staff augmentation perspective (since we have many listeners who are with

health systems, what are your final words of wisdom or advice for them on how to manage 2021 and beyond in a world where we truly have seen a seismic shift. That is where we expect 20% of care to be done online, in general, and in some specialties perhaps significantly more. Let's hear your final thoughts.

Mr. Brandes: I've had that question a lot recently with a number of health systems. The discussion we generally have is, “Hey, why don't we first focus on the strategic priorities and imperatives of your health system and not lead with virtual care for digital health. Let's talk about what you're doing to try to shift commercial market share?” Let's talk about what you're doing to try to move more meaningfully into getting closer to premium dollars and take risk and value based care arrangements. Let's talk about what you're doing to focus on consumerism in your markets; and let's also talk about your growth strategies. How do you grow not only market share in your current market, and how do you expand into other markets and perhaps do so without a brick and mortar footprint?

As you think about all the strategic priorities you have, layer in what's possible now with virtual care that wasn't possible before. It's time to reimagine how to address those priorities. What do you need from virtual care to totally change the paradigm? How do you become profitable at government rates? How do you deliver care and democratize access to care to vulnerable populations that may be underserved today?

A lot of things are possible now. In order to deliver on these challenges I would emphasize that health systems look at this holistically. As you're building your virtual care strategies and platform, what you need is not to further fragment care by building a separate silo for each area. You might see a need and opportunity that really require a purpose-built platform for healthcare. One that offers interoperability, scalability, and clinical workflows.

As you start thinking about that platform, consider the data science needed to enable a hyper-personalized holistic consumer experience across the entire continuum of care—from chronic conditions in the home, to ambulatory visits in the office, to complex care in the ICU and all points in between. People are striving to lead a healthier life outside the

health system and not thinking of themselves as patients, but just being a person. Opportunities for health systems taking control of their role in facilitating this have never been greater for providers and organizations to reinvent themselves because of what's possible with virtual. Thanks.

Dr. Berkowitz: I think that's a great way to wrap it up. This is not a silo. This needs to be a part of your holistic strategy and it sounds like you have had great experiences with that. Thanks again for your time. I hope this was helpful to listeners. Thanks so much!